

Truett Cathy: A Conversation

Closed Caption Script

Music

Intro

Narrator: His mother was a wonderful cook. But boarders were served first and the children ate the leftovers. Samuel Truett Cathy was born in Eatonton in 1921. He was the sixth of seven siblings in a close but struggling family. They moved to Atlanta when he was three. Cathy's business sense developed early selling soft drinks in the front yard and delivering newspapers. In 1946, after serving in the Army, Cathy sold his car and pooled funds with his brother Ben to open their first restaurant – “The Dwarf Grill”. Two years later Cathy married a childhood friend – Jeanette McNeal. Despite long hours at work, Cathy's family was always his first priority. Cathy's business prospered and in 1967, he started the Chick-fil-A chain specializing in his own invention – the chicken sandwich.

Today there are more than 1250 Chick-fil-A restaurants around the country. But Cathy's goals extend beyond success and business. A devout Christian, he has always believed in giving back. His Windshape Center Foundation helps young people through scholarships and other programs such as camps and foster homes. Chick-fil-A employees are also eligible for scholarships which have totaled over 20 million dollars so far. The winner of many awards, Cathy is still active in business and philanthropy. Countless people have been touched by his live and spirit.

Music

Hoffman: Truett Cathy, thank you so much for this conversation. I appreciate your time today.

Cathy: My joy to be here with you Susan.

Hoffman: Let me throw out a few titles that you carry - business owner, philanthropist, father, Christian, roll model. Is there any one in particular that you prefer or you gravitate to naturally?

Cathy: I would like to be known – I'm a successful business man – but also I like being known that I've been a good father. Ma'am, someone told me Truett, someone makes how good a father he was is the conduct of your grandchildren. I said oh don't tell me that, I thought I did pretty good with my three children, I'd a got, see how many, 12 grandchildren turn out to see how many brownie points I've got chalked up.

Hoffman: Success in your mind is, if I'm successful as a father, I'm a success in life.

Cathy: Absolutely. But sometimes your children have to sacrifice for the father 'cause the family's depending on the father being successful. And they'll get the benefit of being a father successful as well as maybe being a failure.

Hoffman: I want you to talk about your father. So let's go back in time. You were born in Eatonton, Georgia, an hour or two outside of Atlanta, in 1921. You're the sixth of seven siblings. But the boweevel essentially chased the family off the farm and your parents moved you to Atlanta when you were only three. And you went into Techwood, which was public housing.

Cathy: Yes.

Hoffman: What are your early memories of your time in that area?

Cathy: Well, I been brought up in poverty, I been brought up in time a-plenty. Much prefer that time of plenty, but there's less to be learned when you're brought up in poverty. I was brought up, I knew if I ever had anything, I'd have to work for it. And it caused me to be um to work, to do the things that's gonna be beneficial when you have to struggle for a place to live as well as for food for our table. Makes you feel very responsible and makes you very grateful for what you might have.

Hoffman: Well your father went into the insurance business. But when the great depression hit, your mother opened a boarding house. And you took in boarders, you had a very small home and again so many siblings at that point and only one bathroom. And you really got to work with your mother in the kitchen, I mean she relied on you to help her. What kind of chores did you have?

Cathy: Took in boarders that we furnished a bed in a room, not a whole room, just a bed in a room and two meals a day. And it was there at an early age I learned how to shuck corn and shell peas and wash dirty dishes, set the table and go shopping with my mom.

Hoffman: There was one day you went to the grocery store and you came home empty handed. What happened?

Cathy: Well, I noticed, coke set for a quarter back then. You remember that?

Hoffman: I don't, but I'm gonna take your word for it (laughing).

- Cathy:** Well it did, and I thought in my mind if I'd accumulate six empty bottles and a quarter, I could buy those and peddle around my neighbors for a nickel apiece and make 5 cents off the deal. So I sold out and went back and got six more and six more and six more and finally accumulated the resources that made me flag down the coke truck and buy a full case of Coke-Colas, 24 cokes for 80 cents. And if you had your calculator with you, you put 24 in there and multiply by 5 and then deduct 80 cents for your food costs, you made yourself 40 cents. And I made 40 cents if I didn't brake any bottles and if I didn't have to buy the ice.
- Hoffman:** So at eight years old, out of necessity to help with the family income, you started selling cokes. You did it door to door, and in the front yard, you also sold magazines during the winter months when people weren't buying cokes.
- Cathy:** Right, there's a Ladies Home Journal selling 15 cents for which you made 4 cents and Saturday Evening Post was selling for 5 cents which made a cent and a half. I always thought the rich people bought the 15 cent magazine and the poor people bought the 5 cents. Content was only what you could afford to buy. But came of age and I got a paper route with the Atlanta Journal which I carried papers for seven straight years.
- Hoffman:** You really liked being a newspaper carrier. There's some competition in it.
- Cathy:** Right.
- Hoffman:** And ultimately you realized that you could be successful carrying newspapers and you knew at that very young age that you would probably go on to own your own business, right?
- Cathy:** Well, I was determined to do that because I think I was twelve when I started in carrying a paper route and I carried it for seven straight years far as nineteen. And we did have a competitive evening paper at that time, The Atlanta Georgian, which during the time they have I was motivated by incentive awards like a pocket knife, a tee shirt, maybe a trip to Jacksonville Beach. And I didn't mind waking people up at eleven thirty or twelve o'clock at night. Needed one more star to win a trip to Jacksonville Beach. They would start the paper, I'd put the paper behind the screen door, up on the rocking chair, to protect it from the dog and I'd be there rain or shine. And I thought I was a pretty good salesman.
- Hoffman:** You must have been.

Cathy: I always did the job, tried to do it at my very best. But during that period of time I realized the importance of doing a job and doing it right. Pleasing your customers and enjoying what you're doing.

Hoffman: Tell me about your father. Your father ended up rather bitter because of the move off the farm to Atlanta and the depression. I mean that was really hard on him and you were somewhat isolated and you said one of your Sunday school teachers, Theo Abby, recognized that you were isolated and probably didn't get the positive reinforcement at home. And he had a very strong influence on you at a very young age.

Cathy: Yes. I went to Sunday school at Baptist Tabernacle. Theo Abby was my Sunday school teacher when I really needed someone in the teenage years when I moved to Techwood Homes.

Hoffman: You were not a very good student.

Cathy: You're right.

Hoffman: You had to work really hard for your grades and you lacked some self confidence. You really, um, questioned your social abilities.

Cathy: Yeah. Well it seemed liked other people had more talent than I did cause all the time we used to share books, reading books, and person reading with me got ahead of me and I just couldn't understand. But I worked hard for a C, but I had to work, I didn't, wasn't able to spend a lot of time working. But I find that most people successful are C students. I say the world is ruled by C students cause I was in that category, I didn't get to go college, but because I was drafted when I finished, soon after I finished high school.

Hoffman: But you came down with a skin allergy and you received an honorable discharge and you never saw combat.

Cathy: Even if I got out in the sun 30 seconds, I start breaking out in rash.

Hoffman: Is that right? Your brother Ben, who was very close to you, was also given an honorable discharge as well.

Cathy: He and I pooled our resources when he came home and we came up four thousand dollars which...

Hoffman: You sold your Chevy to get that money.

Cathy: Yes.

Hoffman: And you took out a loan?

Cathy: A, let for six thousand six hundred.

Hoffman: So with ten thousand six hundred dollars, you all decided to go into business for yourselves. And you chose the restaurant business. You thought about grocery, but decided restaurant.

Cathy: Yes.

Hoffman: And then in 1946 you opened the Dwarf Grill.

Cathy: Right. Well, it's a good thing what's the future. Cause you can handle one problem at a time. But you know...

Hoffman: I even heard you say had you known all the hurdles you were going to face, you may not have gone into the restaurant business.

Cathy: Well, I would not have.

Hoffman: But your restaurant, I mean just the location alone turned out to be, in large part, the gold mine. Would you not agree? You were right there next to the Ford plant, motor plant, and the old Atlanta airport. And you were open 24 hours a day serving very quick meals.

Cathy: Right.

Hoffman: And it worked.

Cathy: Well, it worked, we was on the main artery for Maine to Miami highway 41. That's a two lane road, you could imagine. And I've stood out in the middle of the street often times at midnight and not see a soul nor automobile in sight. But things have changed, of course, since then. And we can't build highways fast enough to accommodate the traffic that's going by.

Hoffman: I know. That was in 1946 and two years later you married Jeanette.

Cathy: Right.

Hoffman: Who you had known since you were little. In fact you said she used to come over to the boarding house and she'd entertain the boarders when she was eight and ten years old.

Cathy: Well, she did. She was... well I fell in love with her really it was the only girl I'd ever fell in love with and it was either her or Shirley Temple at that

time. Cause she reminded me so much of Shirley Temple, she had blue eyes, blond hair, she could tap dance and sing and do all those things that a little girl was talented. And so we went through junior high school, which, Joe Brown Junior High School out in West End, and I'd waive at her, and sometimes she'd respond and sometimes no.

Hoffman: She played hard to get huh?

Cathy: A yeah. So we were fine after that I went to a boys school and she went to a girls school and I had not seen her for 10 years until our paths crossed once again. So we started steady courtship and were married in 1948.

Hoffman: And you had three children who, and I've spoken to your son Dan, he said as soon as they were old enough, even as toddlers, they ended up with small jobs around the restaurant. It was really a family affair.

Cathy: Well, Dan oft times said he went to work nine months before he was born. Cause my wife came in when she was pregnant. But I thought it was important to bring them up to work. And if I couldn't spend time with them at home, I'd bring them up to work with me in the evenings. Our first place called the Dwarf Grill, my wife would dress them up like little dwarfs and they would come and sing for the customers and I could be working away and when they got old enough or high enough to work behind the counter, they did that. They was brought up to wash dishes and was sent out in the parking lot, clean up the parking lot, things that they could do as small kids.

Hoffman: Something sad happened along this time. You lost your brother in a tragic plane accident.

Cathy: Right.

Hoffman: Tell me about your brother Ben and what happened that day.

Cathy: It was two brothers and had two friends with them and they were in a little plane out at the airport, was heading to air show up in Chattanooga. Motor conked out and fell flat.

Hoffman: I read that your brother tallied the register for you on Saturday. And the hardest day you had was to go back to work on Monday knowing that he was not gonna come back.

Cathy: Yeah, that was pretty sad when you know that he was a live and active to around 4 o'clock on Saturday afternoon and by midnight we was notified that he was dead. So it's hard to accept those kinds of things and that's probably one of the first questions I asked the Lord, why did that happen.

But we don't need to out guess God, He had purpose in it, but both of them were married, one had one child and the other one had two. But you don't understand those things, but you have to accept them. It's where your Christian faith comes in that you have trust the Lord and we're told, you know, Lord never leave us nor forsake us. But certain instances that have happened in my life that I can't, beyond my understanding.

Hoffman: Soon after, you went ahead, you forged ahead and you opened your second restaurant. This one was in Forest Park.

Cathy: Right.

Hoffman: And that was in 1951 and it hummed along. But then was lost to a fire in 1960. And you decided to take out a loan and rebuild on that very sight and you really came up with a self-serve. A very, you know, fast food, self service restaurant. And you said an hour into it, you realized you had made a mistake.

Cathy: Yeah.

Hoffman: Why?

Cathy: Well, that mistake was, you know the joy you get in being in the restaurant business is not ringing the cash registers, but the compliments that receive on your employees and on your food. And when the people come in and sit down and you have to go tell them, you have to go up there and place your order and come back down and sit down, for some they just walk out. So I really didn't know what to do for three months. After that I had worked out a lease agreement with Mr. Ted Davis from David restaurant...

Hoffman: And Ted Davis said, conceptually your idea is good, just not for this market. Right?

Cathy: Well, at that time he was interested in bringing Kentucky Fried Chicken to Atlanta. And he said, gee I like you, you gonna lose some customers, but you're gonna gain others in response. Says if this bothers you, I'd like to consider leasing a building and buying equipment. And so I just thought that was God's way of telling me, you know, you're doing that's your avenue to travel. So it was quite a relief for me because I had gone through a operation just prior to that.

Hoffman: But you continue to forge ahead and soon after that is when you really started tinkering with the boneless, skinless chicken breast. Because you said the Good Brother's poultry said hey we have these skinless, boneless,

breasts, do you want them? And what happened, what went on in your mind at that time.

Cathy: Well originally we were testing chicken, at first drumstick. You know what happens when you bite in a drumstick and it's not thoroughly cooked. So we hit on de-boning it. Regardless how you cook it, if you de-bone a chicken, you cut the cooking time down to half. But Chick-fil-A I knew I had something, but didn't know what to do with it because I didn't want another string of restaurants. But it did leave me an opportunity to go into the Greenbrier Shopping Mall with building a business on a very simple idea – boneless, skinless breast of chicken served on a hot toasted buttered bun.

Hoffman: A couple pickles.

Cathy: Couple pickles. And so people would say, what is this? Is this quail or wait... it didn't taste like chicken. But it happened to be seasoned with all the season I had in the kitchen one day and participated and put it in there and stir it up and see what came out.

Hoffman: Didn't I hear you put a lot of ingredients in because you didn't want anybody to be able to copy it.

Cathy: Well, that's right, it does have about 20 ingredients in it in the season coat as well as on the chicken itself. And...

Hoffman: At one point you were thinking originally that you might franchise it, license it, trademark it, but then sell it through others. And McDonald's considered it and ultimately lost interest. But then the Houston Astrodome decided to sign and agreement and as far as you're concerned, that's what really put Chick-fil-A on the map.

Cathy: Well, that introduced the product, you know, itself. But it was disturbing that you go to a restaurant and give them proper instruction of what to do and go back, they start cooking chicken at nine o'clock in the morning for the noon time hour and the fat in the fryer would look like motor oil in there.

Hoffman: You lost control didn't you? The quality, the standards you had set, you were concerned really weren't going to be adhered to.

Cathy: Yes, well that's right. We went about 50 restaurants in a matter of weeks and I was getting royalty off the poundage of Chick-fil-A. So I thought that was the way to go. But I soon was discouraged because they was going out of their way to mess up something or thought to be very good. But did leap into the shopping mall.

Hoffman: And really it was the introduction of food in our shopping malls.

Cathy: Right.

Hoffman: And what you also figured out is you could invest about seventeen thousand dollars and the return on that investment inside the mall, that was a much smaller investment than say a free standing restaurant, really meant financial bin for you.

Cathy: Yes.

Hoffman: Well, that was 1967 when you opened in Greenbrier Mall. By 1971 you had seven stores, seven units, but it was really the Dwarf House that was continuing to float or fund until you hit about your seventeenth unit. Correct?

Cathy: Right. I was paying out the profits from what I had in my hip pocket and what my financial needs. And so everything that I made on Chick-fil-A in the beginning we re-invested into other additional units. So we had a good solid base to start a business on, where that I don't owe a lot of money because at that time we never borrowed over a hundred thousand dollars.

Hoffman: You were really fairly conservative and wanted to make sure you kept all that in check. You didn't like debt.

Cathy: Yes. You're definitely right. I think any problem you have in business, the worst problem you have is financial problems. I can handle other things. I knew I had to pay my bills and I knew I had to pay my employees. But I feel the Lord had a purpose in my life because of the fact that series of things have happened in my life that I didn't plan on. Chick-fil-A I never planned on.

Hoffman: You didn't know when you were creating that chicken breast that you were creating a dynasty?

Cathy: No, I did not. And I'm glad that I didn't know about. But it's been a real enjoyable experience, we get a lot of compliments on the quality of our food as well as the courtesy of our employees.

Hoffman: Talk to me about your operators. Because you're extremely respectful of your operators and you really feel like it's a marriage with divorce not really ever being an option.

Cathy: Well I motivate what I see in young people because we employ about forty thousand young people in our various Chick-fil-A units. Some of

them come to work because they need to work, others just work because they just like to work. There's nothing wrong with that. But I'm really motivated by what I see in young people because two thirds of our operators grew up in Chick-fil-A. They worked for us in high school and college and enjoyed what they're doing and made a career of it. We have some that never had any job other than Chick-fil-A. They don't know what the real world is. But they're very aggressive, determined, committed to the task and I find in the interview process of people, if they can't take care of the personal life, how you expect them to take care of business. So it's very important to the character of our operators and any staff person that comes aboard.

Hoffman: Well, you not only support them and provide role models, but you invest in them. You, to date have, you through your foundations have given over 20 million dollars in scholarships to your employees.

Cathy: Yes, that's just for the part-time temporary employees that if they work for us for two years, and average working 20 hours a week, that we give them a thousand dollar scholarship to the school of their choice. We know that a thousand dollars doesn't go far but you have to get started. Once you get started doing something that you continue on. But we have to try to stabilize our employees that some of the competition offer 25 cents a hour more you come to work for me, there liable to jump at it. But here they know they're working for something. If you work for a year, they say well I might as well stay another year and be qualified for the scholarship program. I tell young people, it looks good on your resume that you use forever that you were the recipient of a scholarship from Chick-fil-A. And so it opens doors for college as well as for opportunities in the business world.

Hoffman: You've used your success in such a fine and outstanding way. You've started the Windshape Center Foundation, you provide camps for young girls, you provide marriage retreats for married couples in hopes to infuse more Christian values into their relationship. Obviously the scholarships, you have foster homes all over the state. You're a foster grandfather to what, a hundred and fifty children. And it's much more than a title, you are hands on and I understand that you will re-arrange your schedule to accommodate them so that you can spend more time with them.

Cathy: Well Susan there's a lot of things you know that brings you a lot of joy you can't buy with dollars and cents. We fortunate in fact that we're still a private company which permits to do a lot of things we couldn't do if we had to answer to stock holders and to board of directors. And, but we've taken advantage of unexpected opportunities. This relationship we have with Berry College was not planned in any way, but just came about. Back in 1982 we were experiencing problems in our business. We just

moved into a new corporate headquarters which was ten million dollars totaled all investments and finance. This was a time when interest on borrowed money got up to twenty, twenty-one percent. This time seemed like all the fast food was getting into the chicken breast sandwich business which caused it to be, the price to be inflated. And so, I called a meeting, what we called the executive committee, and to ask ourselves some serious questions. So, we came away after spending two days asking ourselves what's important. So we came away with this might be Chick-fil-A's corporate purpose that we might glorify God by being a faithful steward of all that's entrusted to our care, and that we have a positive impact on all the people that we come in contact with. We went back and shared that with our staff people. They said well what else did you do and I said well, we didn't do anything but we would ask you to cooperate and support that this might be our corporate statement. So that following Christmas they gave me this huge bronze plaque with my name on it, was engraved on that the corporate purpose. And I'm not one who likes to display signs around that tell people who you are and what you are, and I said well where in the world should we put this and it was just why don't you just put it right inside the front door where it will be a reminder to you Truett Cathy why you're coming to work as well the rest of us. So it meant a lot to me at the time and it's grown to be an awful lot because I every day I go in the corporate headquarters there and I try to keep that in mind to be careful how you handle telephone calls, how you handle sales people and maybe an employee you have to ask for the resignation how you're gonna have a positive impact on all the people. So I'm sure don't have an impact on all people, we try to.

Hoffman: And from everything I've read and seen, even your, the fact that you have infused your business practice with Biblical principals has been written about and studied. And it's part of your formula for success.

Cathy: Well it is. It's a, I had the opportunity three years ago to testify in Washington when they was having an inquiry on business ethics. And my statement there was it's no such thing as business ethics, it's personal ethics, it's people makes things happen. And secondly, I so no conflict what so ever in good business practices and Biblical principals.

Hoffman: I know in speaking to your son Dan, he said that you and your wife Jeanette clearly walk the walk, talk the talk. He also told me that you and Jeanette live out loud, meaning you showed the upside of marriage, the downside of marriage and why you stick through it and how you get through difficult times. And he said that my father is a role model beyond business, beyond philanthropy I learned how to live my life by watching my dad and mom.

Cathy: Well, I put a lot of emphasis on responsibility of a dad. We need to, you know, listen to our children, time, is the most important ingredient we have. I think a lot of us, business people, are anxious to give their children what they didn't have when they was coming up, but they failing to give them the important things.

Hoffman: Do you have any regrets? Anything you would do differently or would like to do?

Cathy: I don't think it's anything that I would change. I've been very happy, I've achieved all the goals I could ever expect to accomplish.

Hoffman: How will you be remembered?

Cathy: Well, I would like to be remembered as I mentioned earlier, that I kept my priorities in proper order. That's important. You realize the importance of taking care of your loved ones, caring for them, motivating them, developing them. You have to be very tolerant and I was persuaded that God knew better than we did. You've taken vow until death do us part. And so a lot of times, you know, if you give up too soon, it's like operating a business that you have a lot of discouraging things. But I think people come with expectations of marriage give me happiness every day of life and that's not gone happen.

Hoffman: It's unrealistic. But if you keep your nose down and work very hard, your dreams can come true. Truett Cathy, I appreciate your time, I appreciate the opportunity to have this conversation with you.

Cathy: Well it's been my joy to talk with you Susan. Hope something was said that might benefit those that will be listening on TV.

**Music
Narrator**

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